

PART 2000 - GENERAL

SUBPART W - MEMORANDUM OF UNDERSTANDING BETWEEN THE FARMERS HOME
ADMINISTRATION (FmHA) AND THE OFFICE OF MINORITY
BUSINESS ENTERPRISE (OMBE)

§2000.1101 General.

The Office of Minority Business Enterprise (OMBE) is an Agency which promotes business activity and direct technical assistance to minority businesses. The attached Exhibit A, a Memorandum of Understanding between the Farmers Home Administration (FmHA) and OMBE has been developed to establish an effective liaison and coordination of activities between the two agencies to assist minority applicants.

§2000.1102 Reaching agreement with OMBE.

The OMBE Regional Directors, or their designees, and the FmHA State Directors, or their designees, are the official contacts at the Regional and State level and are responsible for implementing this agreement. A list of the OMBE Regional Directors has been distributed to the FmHA State Directors under the publication entitled "OMBE Funded Organization Directory" dated March 1978.

§2000.1103 State supplements.

State Directors may issue State supplements, to the extent necessary to properly implement the policies of the Memorandum of Understanding.

§§2000.1104 - 2000.1150 [Reserved]

Attachment: Exhibit A

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DISTRIBUTION: W, S, D, C.

Administration
General

Memorandum of Understanding
between the
Farmers Home Administration
and the
Office of Minority Business Enterprise

I. Background

The Farmers Home Administration (FmHA) Business and Industrial loan program was established under the Rural Development Act of 1972. Its purpose is to improve the quality of rural life and upgrade economic development in rural areas. The B&I program has targeted a percentage of its total loan guarantee authority for rural minority loan applicants. FmHA administers the B&I program through its State, District and County Offices. Priority is given to applications for projects in open country and rural communities and towns of 25,000 and smaller.

The Office of Minority Business Enterprise (OMBE), an agency of the Department of Commerce and established by Executive Order in 1969, promotes minority business enterprise growth through (1) direct assistance to minority businesses; (2) coordination of Federal efforts in support of minority businesses; (3) encouragement of private sector support for minority businesses. OMBE provides direct business management and technical assistance through 225 community-based nonprofit business development organizations and construction contractor assistance centers. OMBE's six Regional Offices are located in New York, Washington, DC, Atlanta, Chicago, Dallas and San Francisco.

II. Purpose

This joint agreement affirms the mutual desire of the Farmers Home Administration and the Office of Minority Business Enterprise to cooperate in administering their respective policies and procedures to complement the activities of each other in support of minority business enterprise.

III. Agreement

A. FmHA and OMBE will cooperate in mutual briefings on program aims and in updating and evaluation of this agreement.

B. FmHA will inform any minority applicants and/or borrowers about assistance available through OMBE funded local business development organizations (BDO) and construction contractor assistance centers (CCAC).

C. OMBE and FmHA will provide the BDO's and CCAC's with information about the B&I program and will cooperate in conferences, seminars, workshops, and meetings with minority business owners, lenders, community leaders, community organizations, and private sector business organizations.

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D. The FmHA State Director, or his or her designee, will notify the appropriate OMBE Regional Director of any minority applicant or borrower in need of assistance. The OMBE Regional Director will designate the appropriate BDO or CCAC to provide the requested assistance.

E. Upon completion of any assistance to the applicant and/or borrower (or at monthly intervals during extended cases), the OMBE Regional Director will provide the FmHA State Director and the National OMBE with a report of the type of assistance given, the status of the case, and the results, if any, of the assistance provided.

F. OMBE will assist minority applicants in packaging their loan applications including, but not limited to, business plans, financial plans, market research, market plans and feasibility studies.

This Memorandum of Understanding shall take effect upon the date of its execution, may be amended at any time by agreement of both parties, and shall remain in force until it is expressly abrogated by either of the parties.

U. S. Department of Agriculture
Farmers Home Administration

/s/
BY: _____
Gordon Cavanaugh, Administrator

1/12/79
Date: _____

U.S. Department of Commerce
Office of Minority Business Enterprise

/s/
BY: _____
Randolph T. Blackwell, Director

1-22-79
Date: _____